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International Court of Justice

H3466 - 0002

OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

EVIDENCE DIVISION

Date: 2 August 1948

I certify that Document Number 3952-PS was introduced into evidence as Exhibit Number USA-875 in the Trial by the International Tribunal of Hermann GOERING, et. al., which commenced on 20 November 1945, and that the attached photostat is a true and correct copy of the original.

Fred Niebergall

FRED NIEBERGALL
Chief, Document Control Branch

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H3466 - 0003

C E R T I F I C A T E

I hereby certify that the annexed document 3952-PS No. USA-845 is a photostat of an original document submitted in evidence by the United States Prosecution under this number. The original document has been withdrawn in accordance with Rule 10 of the International Military Tribunal, and to the best of my knowledge and belief is to be held at the National Archives, Washington D.C. .

Nuremberg, 4 July 1948

Paul Joosten

PAUL A. JOOSTEN

General Secretary
International Military
Tribunal

H3466 – 0004

INTERNATIONAL MILITARY TRIBUNAL
NURNBERG, GERMANY
USA Exhibit 875
Filed 28 May 1946

3952-PS

Testimony of WALTER FUNK, taken at Nuremberg, Germany, on 19 October 1945, 1035 - 1205, by Lt Col. Murray Gurfein, AUS, OUSCC. Also present: Capt M. W. Frank, Interpreter, and S/Sgt Horace M. Levy, Court Reporter.

COLONEL GURFEIN TO THE WITNESS THROUGH THE INTERPRETER:

Q How are you feeling this morning?

A I myself am extremely keen to be interrogated after a number of weeks, but I am in a very bad condition. I am in a very bad condition. I had an operation.

CAPT. JOSEPH E. LEGER, MC:

He has a large prostate that has to be operated on, with some residual urine, and in addition to that, he has a history of a mild diabetes.

(CONTINUING):

A I am stuck in a very cold cell, and if this continues for two or three days, we shall have the old trouble all over again. I must say I am not interested in this.

Q You, yourself, are receiving very excellent medical care, and the medical people will see to it that everything that can be done will be done, I am sure of that.

A I know the doctor, and I am hoping to be transferred to another cell. I have reported this to the doctor.

Q We will swear you in now. Do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

A Yes, I do.

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H3466 - 0005

COL. GURFEIN TO THE INTERPRETER:

Q Do you solemnly swear that you will interpret from English into German, and from German into English, to the best of your ability, so help you God?

A I do, so help me God.

COL. GURFEIN TO THE WITNESS THROUGH THE INTERPRETER:

Q You became Minister of Economics in November of 1937, didn't you, or was it shortly thereafter?

A I was nominated as Minister of Economy on the 27th or 29th of November, 1937, but did not take over the Ministry until February of 1938, since the plenipotentiary for that Four Year Plan, Goering, was using it for the Four Year Plan, trying to staff it for his own purposes.

Q Now, when you took over the position as Minister of Economics, you took over the position that Dr. Schacht had formerly held, did you not?

A Not at all. Dr. Schacht was a minister with his own powers, an independent minister, and when the Four Year Plan was created, the battle against Dr. Schacht commenced. When I took over the Ministry of Economy, the Four Year plan was my commanding service department.

Q Well now, did you take over the position that Dr. Schacht also had, as Plenipotentiary for the War Economy?

A No, that is not so, either. The position of Plenipotentiary for War Economy was created in accordance with the law in which I did not participate.

Q Called "The Defense of the Reich Law"?

H3466 - 0006

A Yes, the Plenipotentiary for Economy, planned by the then Ministers, and in particular, Blomberg, dealt with the entire question of war economy. When I took over this function in '38, that is to say, not immediately after I was appointed Minister of Economy, Goering made a very clear statement to myself, and General Field Marshal Keitel, something which Keitel confirmed to me recently at Mondorf, "I will not give this function to Funk. -I will run it myself." In the meantime, considerable changes had taken place. The four year plan absorbed the entire raw material output. Armament questions were dealt with outside the Ministry of Economy by the OKW, because, and when I became the President of the Reichsbank, the situation was entirely different from Schacht's, who could decide how many bills from the Reich he could accept; and when I came into office, the Fuehrer had made an arrangement with the Minister of Finance, ruling that decisions regarding such bills and their acceptance by me, were made directly with the Berlin Ministry of Finance, and I simply had to agree with Hitler, and I simply had to discount them. The Plenipotentiary for War Economy, until the time that this office ceased to exist at the end of 1939, was an office working under State Secretary Posse, in which the organization of various departments was coordinated, which insured the necessary measures on the subject of consumer goods and foodstuffs, in the event of an outbreak of war, and that things would be organized properly. This, for instance, included food coupons, indent forms, all matters which were dealt with by Posse directly, and had nothing to do with me.

H3466 – 0007

Q You do not disclaim responsibility for what Posse, as your subordinate, did, do you?

A No, not at all. In fact I can say some more on the subject. I have, after the outbreak of war -- and this is really the only thing which I actively did, as far as war economy is concerned -- helped in the drafting of the law for the control of the economy in wartime, this war economy law; is that clear?

Q Yes.

A All departments were working on that, and I simply presided over these meetings, and this war economy law -- this I want to say quite clearly; it would be stupid if I didn't -- was entirely due to my activities, but it was only created after the outbreak of war.

Q Well now, when did you first learn of the fact that a war was going to take place in 1939?

A In this form, I never heard it. In a conference at Goering's office, which took place approximately in June or July with all ministers concerned and the generals present, and the armament people, Goering asked the armament people what they would require in the way of equipment for the Army, without saying, of course, when the war would break out, say, in three or six weeks; and these gentlemen, say, for instance, General Thomas, then stated their requirements regarding, say, textiles, rubber, leather, etc. When I heard these figures, which concerned me in my capacity as Minister of Economy, since I was still directing private industry and production at that time, I declared that such quantities could not be produced by our industries. Consequently,

H3466 - 0008

Goering gave me a dressing-down and told me in front of everybody that he was surprised that I did not support him more. "If we had not enough to clothe our soldiers, then we would jump into the face of our enemy with a naked arse, just like the old Germans." After this information, I said no more, but in the evening, Goering sent State Secretary Koerner to me and sent his apologies.

Q Now, at that conference over which Goering presided, these requests for amounts of material requirements to be stated, were based on the contingency of war; were they not?

A Yes, they referred to the event of a war; that is to say, if we were forced into a war, or that if the war came, that is what we would require -- I do not want to make this a battle of words -- if the war arrived. That was, I think, in June.

Q But let's speak clearly about this, Dr. Funk, the meeting was called for the purpose of discussing the emergencies that would arise, based on the likelihood of a war breaking out; is that not so?

A Yes, indeed, requirements discussed were those of the Army in the event of war.

Q And I take it that the spirit of that meeting was that a war was coming soon?

A The danger of war existed.

Q Was there any discussion at this meeting about the possibility of an attack on the Reich by any foreign power, do you recall?

A That I do not know; a power, no.

Q Now, that was at the time when there already was a discussion

H3466 - 0009

concerning the dispute with Poland; was it not?

A Yes, conditions in Poland were those of disquiet at this time already. I cannot remember or recollect exactly when that conference took place, but I guess it was about the end of June, or it might have been July. I was in Holland in June, and negotiated with the government in various matters in the month of July. Certain clearing matters were talked about; subsequently I travelled to Basle for a meeting of the Bank of International Settlements, and there I discussed with both Montague Norman and the French delegate, Mr. Heuweir, the possibilities of the danger of war, and there I explained to the two gentlemen, both of whom are still alive, and who could confirm this, that it was my opinion that National Socialist Germany could not gain anything through a war while it was still in the process of being built up; and that I considered the Fuehrer such an intelligent and clever statesman, that he would find ways to avoid war.

Q That was at the time, was it not, that Hitler was demanding Danzig from Poland?

A Well, I cannot remember exactly when this was. I think this conference must have been in June or July.

Q I want you to remember the spirit of the conference. Was it not at a time when Germany was demanding the return of Danzig to the Reich?

A Danzig was not mentioned during that conference. The only things talked about were of an economic nature; but if you could tell me the date when Danzig was demanded from Poland, I might be able to coordinate the facts.

H3466 – 0010

Q Well, there was a continuing demand through June and July; was there not?

A Then in that case it must have been the same period.

Q Did you also have to prepare financial plans for war in 1939?

A No.

Q Didn't you write a letter to Hitler on the 25th of August, 1939, pertaining to financial preparations for the war?

A That I do not know. I only demanded that these economic measures would come into force in good time, and that might have been in August 1939; I think that is right.

Q That is before the outbreak of war against Poland?

A Yes, a few days before. I said that if a war was to break out, these regulations would have to be enforced. I had reported this to the Fuehrer through Minister Lammers, but whether I have written a letter or not, I cannot recollect.

Q Let me see if I can refresh your recollection: In that letter of 25 August 1939, to Hitler, did you make the following points; first, you thanked Hitler for approving the measures prepared by you, Funk, for the financing of the war.

A That can only refer to these matters which I carried out as Plenipotentiary for War Economy.

Q And you also thanked him for the approval of measures relating to the regulation of wages and prices and the carrying out of an emergency sacrifice?

A Yes, those are the matters which expressed themselves in the war economy decrees.

H3466 - 0011

Q Now, did you also write to the Fuehrer that you were informed of his approval by Goering?

A That I do not know. I do not believe that I discussed any of these things with Goering. This letter must surely be connected with my request I made to Lammers, asking him to see the Fuehrer and report to him that these measures would be necessary if a war were unpreventable Then these measures would have to become operative, so that they would be enforced in good time.

Q Well now, coming back to this letter, was the second point that you made the following: you reported that the Reichsbank was prepared to withstand any disturbances of the international currency and credit systems?

A But they couldn't really rise. Where could international disturbances possibly arise from it at that moment? The market was protected; foreign credits were frozen -- That had occurred previously under Schacht and there was no danger from that quarter -- and what had to be necessarily obtained in the way of foreign goods, gold and foreign currency had been accumulated for that to a certain extent.

Q Let me understand. You mean you had accumulated gold and devisen for the contingency of war?

A No, but the Four Year Plan had taken a certain action, whereby all foreign currencies in anyone's possession had to be reported, and any claims abroad for foreign currency had to be reported likewise.

Q But did you not also have a secret gold fund in the Reichsbank for the contingency of war?

A No, not for the event of war, but when I took over the Reichs-

H3466 - 0012

bank, I found gold reserves which were much larger than I had expected.

Q And these gold reserves were larger than the balances shown by the Reichsbank as its gold holdings?

A Oh, yes, certainly, but up to then I did not know about this gold either. This was a considerable surprise to me.

Q How much gold was there when you came into the Reichsbank as President; do you remember?

A Yes, I had that figure reported to me when I took over the Reichsbank, and the figure quoted to me was, I think, approximately five hundred million marks.

Q That is value in Reichsmarks?

A Yes, in gold marks.

Q And the balance -- see if you're right -- the balance of the gold, as shown on the Reichsbank statements at that time, couldn't have been more than about 72 or 75 millions; is that right?

A Yes, that is about right, the other gold originated from the county Banks of Issue.

Q And there was more gold that had been placed at the disposal of the Reichsbank by economy, but on which economy had reserved certain claims.

A It was always said that this gold was not altogether free.

Q Well, To whom did the gold belong?

A Well, the Reichsbank owned this gold. It was deposited in the Reichsbank, and the Director of the Reichsbank was obviously of the opinion that it could addthese reserves of gold to the other gold fund.

H3466 - 0013

Q Did you ever discuss with Dr. Schacht, after you took over, or just before you took over his position as President, the meaning of this gold fund, or its existence?

A No, I don't think so, and as far as I can remember, I never discussed Reichsbank matters with Dr. Schacht after I took over.

Q So that, to recapitulate, at the time you took over the Reichsbank in 1939, your recollection is that there was a gold fund of approximately five hundred million gold Reichsmarks, and in addition to the stated gold balance of about seventy-five million?

A No, not additionally, but inclusive.

Q Now, did you, after you took over, ever include this five hundred million gold Reichsmarks in the balance sheets as assets of the bank, or as assets of anybody else?

A Well, I cannot say exactly, but I think that was stated on the balance sheets somehow.

Q Well, you know as a fact, do you not, that the gold balance of the Reichsbank, through law, all the years up to the war, was always maintained at a constant level of about seventy-five million gold Reichsmarks?

A Yes, that is correct, that is how I found it.

Q Do you remember that in the last war, there was a thing called the "Julius Fund" which was a secret gold fund of the Reich for the purchase of raw materials and other requirements in the event of war?

A That I do not know, Julius? Is that connected with "Julius Turm"?

Q Yes.

H3466 - 0014

A But I do remember that the word "Juliusturm" was used by somebody in the Reichsbank in connection with these Banks of Issue, and it referred to this gold which I mentioned before, which was coming from the former Banks of Issue in the countries.

Q Yes, as a matter of fact, now that you remember, Dr. Funk, the secret gold of five hundred million gold Reichsmarks was considered by everybody in the directorium of the Bank as a secret gold fund, to be used in the event of war, just as the "Juliusturm Fund" had been used in the last war.

A Not all this gold, no. If I am describing the situation correctly, then it referred only to that gold which had previously been held by the County Banks of Issue, and I believe that amounted to less than two hundred millions, but I do remember that the expression "Juliusturm" was used by somebody in the Reichsbank. That was in passing, and I can't remember the details.

Q Now, coming back to this letter that you wrote to Hitler on the 25th of August, 1939, I want to ask you if you recollect telling him in substance also the following: you reported that you had secretly transferred all available funds of the Reichsbank, and of the entire German economy abroad, into gold.

A No. That must be an error. It must refer to a request we made to industry, such as I.G. Farben and the Kali Syndicate, that in connection with the action taken by the Four Year Plan, they should place all their holdings abroad at the disposal of the Reichsbank, in the shape of gold.

Q That was for the purpose of being able to purchase needed

H3466 - 0015

materials of neutral countries when the war came, was it not?

A Yes, so as to have a gold reserve; but it was done within the framework of the Four Year Plan. The Reichsbank directorate had reported to me, that they had exerted the influence on the industry, in that sense, and that is what I referred to in this letter, when I reported that we had taken care that gold reserves would be increased from those claims of the economy.

Q In effect, then, that letter that you wrote to Hitler on August 25, 1939, told him that everything was prepared for war, as far as the financial situation was concerned?

A No, you can't say that. All I said was that we had done everything that we could to strengthen the position of the Reichsbank.

Q For war?

A In the event of the outbreak of war.

Q What was the reason why at this time you wrote a letter? Who asked you to make a report to the Fuehrer about the financial situation for the contingency of war?

A Well, that I don't know. I can't recollect, but I think I wrote this letter on my own initiative, to emphasize my claims for economic measures to be taken in time.

Q But you remember, don't you, as you have told us, that in June or July you had the meeting with Goering, which looked to the preparation for war, and it was in this period that you also made a report about the financial picture for war?

A One meeting, one big meeting; I only know of one big meeting, and accordingly --

H3466 - 0016

Q And accordingly you prepared financial plans for war?

A Well, these are not detailed preparations for war. These things were going on for quite some time.

Q Well now, look, Dr. Funk, the General Staff reported to Hitler that they were ready for war; Goering reported that he was ready for war, and you were reporting that the financial situation was ready for war; is that not the fact?

A Well, I don't know what the General Staff reported, and I don't know what Goering reported. All I reported on was that these measures were necessary should a war break out, and that the position of the Reichsbank was as I had pictured it.

Q And that was at the time when the situation and the tension with Poland was becoming increasingly great?

A Yes, certainly, it was the same time, naturally, that must have been the case. I must have known that at the time. Everybody in Germany must have known that.

Q Now, coming back to this conference with Goering for a moment, what was the reason for the calling of the conference; do you remember?

A Because the rearmament, that is to say, then OKW, made certain economic demands.

Q For war?

A For war, in the event that a war would be inevitable, the OKW made such demands on the economy, and these demands were discussed during that conference, by Goering in detail.

H3466 - 0017

Q And you participated in it as an economic and financial plan did you not?

A Financial matters were not at all discussed during that meeting, only economic material; that is to say, raw materials and equipment were discussed, and only those points were commented upon by me, that is to say, equipment of the Army with leather textiles and so forth, since I was responsible for supplying the population with these items.

Q Now, when did you first learn of the fact that an attack on Russia was contemplated?

A That must have been toward the end of April, '41. Toward the end of April, '41, I heard that the Fuehrer, or somebody in his entourage had said that a war against Russia was about to break out. I remember that time, because I had a discussion with Hess on the matter. The reason was quite a different one, but it was on that occasion that Hess asked me: "Have you heard that war against Russia is pending?" I said to Hess, "I have not heard anything certain, but it appears that this sort of thing is being talked about." Then Hess said, "What would be the economic consequences of such a case, in your opinion?" And I told Hess, "It will have the result that we will no longer receive important raw materials and supplies, which we are getting from Russia at the moment." Thereupon, Hess said that this was extremely Tricky, and that this would have to be made clear to the Fuehrer. I then told Hess that the department, which would have to make this clear to the Fuehrer, would have to be the Rearmament Department, and the raw materials which we were getting from Russia were

H3466 - 0018

possibly used for war equipment, and that such negotiations with the Fuehrer would have to be conducted by the OKW Department for Rearmament, and not by me as Minister of Economy. Apart from that, the Ministry of Rearmament existed at that time already, and I told Hess at the time that it was their task to point these matters out to Hitler, since I did not know what the rearmament people required.

Q Did you take part in financial preparations for the attack on the Soviet Union?

A No, none were made.

Q Didn't you have a conversation with Rosenberg?

A No, I don't recollect that.

Q I want to refresh you recollection. Did you not, on May 28, 1941 have a conversation with Rosenberg, concerning the currency situation when the attack on Russia took place?

A No, I don't recollect that. I would have to know details. That appears immaterial.

Q See if you can remember, that among others present were the Reichsbank Director Wilhelm, Ministerial Director Schlotterer, State Secretary Landfried, and others.

A That meeting I cannot recollect.

Q Well, do you remember discussing the ratio of the occupation money to the Russian rouble?

A That I do not want to deny. If a meeting on these matters took place, then I would have to admit it, I wouldn't deny it. If it was towards the end of April, and that was the time when these rumors began to crop up, that must have been about the time when I had my

H3466 - 0019

discussion with Hess.

Q This was at the end of May, 1941.

A I wouldn't deny that a meeting took place, but if the ratio of the rouble to the occupation mark was settled, then I would have had to be present at such a meeting.

Q Well, don't you remember that a suggestion was made by Rosenberg that Russian roubles should be printed by the Reichsbank and brought along when the attack was made?

A No, that I do not recollect at all, no.

Q Do you remember any discussion at all -- I want to get your recollection now -- to the effect that the attack would take place, and that financial arrangements would have to be made for the occupation?

A No, but if such a suggestion was made that we, the Reichsbank, were to print Russian roubles, then the Reichsbank would dertainly have opposed such a suggestion.

Q And do you remember that the Reichsbank did oppose such a suggestion?

A No, I do not recollect that, because I cannot remember the suggestion, as such, if such a suggestion was made at all.

Q Don't you remember that the suggestion was made that if roubles were to be printed, it could not be done by the Reichsbank, but that a special organization would have to be set up for it?

A If such a suggestion was made, then I, as President of the Reichsbank, would have had to refuse it. The Reichsbank would not be allowed to occupy itself with any such matters, and would not have to

H3466 - 0020

give its consent.

Q But one thing is clear from your recollection, that during the months of April and May of 1941, you had been informed that an attack on Russia was to take place, and you were making preparations for it.

A That such a pending attack was discussed in wide circles, I certainly do recollect, but that any financial measures had to be prepared in that connection, that I do not remember. But if a ratio of exchange between the mark and the rouble was discussed in such a connection, then I must have participated. That I admit. But whenever such a ratio was fixed, I would certainly include myself, since inscrupulous suggestions were always made in militaryand other quarters.

Q Now, you also had charge, did you not, of the Reichskredit Kassen, as President of the Reichsbank?

A Yes, the members of the directorate of the Reichsbank were also on the board of the Reichskredit Kassen.

Q And the Reichskredit Kassen were to be used for occupation purposes, were they not?

A Yes, that was the occupation money.

Q So that I ask you, whether you did not, during these months of April and May, 1941, consider the problems that would arise on the occupation of Russian territory, insofar as they affected the Reichs Kredit Kassen?

A That can be assumed. Whether I concerned myself with it, I cannot remember, but the Reichsbank directorate would have concerned itself with these questions. And whenever such meetings took place,

H3466 - 0021

they were reported to me later on, but details I cannot remember.

Q So that we take it that in the months of April and May, 1941, you participated in the economic conferences which preceded, or the economic conference which preceded the attack on Russia, with a view to preparing for that event?

A Not as early as April. That I don't believe.

Q May, is it?

A During May, such meetings could have taken place, but any single meeting I do not remember; and the meeting in question, must have dealt with the ratio between the mark and the rouble. That was my business.

Q So that you do not deny, as I understand it, that you knew full well in May of 1941, and probably in April, that Hitler intended to attack Russia?

A I cannot go as far as saying that he planned it, but I knew that a war against Russia was threatening. Hitler never asked me regarding his intentions to make war against Russia, and nobody else asked me either.

Q Yes, but letis not talk about what you were asked, but what you remember you were told. Isn't it clear that you were told that an attack on Russia was in contemplation, and that is why all these preparations were being made?

A Not intended, but that it was possible.

Q And that preparations had to be made for it at that time?

A Yes, that is right.

Q Now, do you remember right after the attack on Russia, you

H3466 - 0022

participated in discussions about the economic exploitation of the territories to be occupied?

A These discussions cannot have taken place with me. They must have been with the Four Year Plan people, because the occupied territories were their concern.

Q Let me refresh your recollection. Did you not appoint as your representative Dr. Schlotterer to deal with these questions?

A Well, yes, I had Dr. Schlotterer attached to the Ministry of Eastern Affairs so that he could concern himself with these questions that is correct.

Q And the program subsequently and generally was to exploit the Russian territory that was to be occupied as much as possible, isn't that right?

A Yes, certainly, but the leading department for these questions, and that I must emphasize again, was the Four Year Plan; and the Ministry of Economy made its contributions in these subjects, via Schlotterer, to the Four Year Plan.

Q And part of the plan was to take machines, materials and goods out of Russia, and bring them to Germany; was it not?

A Yes, most certainly, but I did not participate in this, but I consider it obvious. It was done.

Q Yes, and you, yourself participated in the discussions concerning these plans, and also your representative, Dr. Schlotterer.

A I, myself, did not participate.

Q But you gave the full power to act for you in that connection to Dr. Schlotterer?

H3466 - 0023

A Yes, Schlotterer was to represent me in economic questions in the ministry of Rosenberg.

Q No , for example, when you dealt with consumer goods, or machines for production of consumer goods, that came still within your functions as Minister of Economics, did it not, insofar as the occupied territories are concerned?

A Yes, until the year of 1943, but I couldn't give orders in the occupied territories; I couldn't do that; only the four Year Plan could do that.

Q But you collaborated with the Four Year Plan, with the military governors of the occupied territories, with Rosenberg's ministry, in looting consumer goods and consumer goods machines out of Russian territory; did you not?

A I could not give instructions to the military governors; they could only come from the Four Year Plan.

Q But indirectly, you could state your needs, and also obtain what you wanted from these Russian teritories, and in fact, you so did?

A No, that was done differently; no, that was different. The system was that certain bodies were appointed by the Four Year Plan, and throu h Schlotterer, who could carry out these actions, and these organisations operated by order of Minister Rosenberg in the occupied territories; and goods which were imported came in, of course, for the benefit of my organisation.

Q And you never objected to the policy of taking these things out of Russian territory into Germany?

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H3466 - 0024

A No, because it is customary to obtain goods from occupied territories.

Q Without paying for it?

A Oh, but it is certainly quite clear that they were paid for.

Q Who paid for them?

A These organizations which I have just mentioned. They must have paid for these goods. That is how we did it in the other occupied territories, for instance, France, we did it just like that. Every article was paid for.

Q Now, in connection with that, let me ask you this: occupation costs were fixed against the occupied territories, were they not?

A Yes, that sort of thing was done by the Minister of Finance. As far as I can remember, the Minister of Finance had an income from the occupied territories.

Q And part of this money was used, was it not, for the purchase of these goods in the occupied territories that were taken to Germany?

A That I do not know. I do not know the connection between these monies, these occupation costs and the monies that were used to pay for the goods, but the organizations appointed by us, that is to say, Rosenberg, was dealing with the purchase of all these articles.

Q Yes, now, one more series of questions: was it not Hitler's intention in launching the war, to insure the economic domination by Germany over the continent of Europe?

A Yes, certainly, if this war had been won by Germany, this would have given Germany complete economic power. That cannot be

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H3466 - 0025

denied.

Q Well, was that not one of the motives leading up to the war?

A That I don't know. That I cannot say.

Q Well, didn't you ever discuss that? You were an economic advisor to the Fuehrer.

A I very rarely discussed economic questions with the Fuehrer, and on this particular question I certainly never talked to him in fact.

Q Well, didn't you, in fact, write him a long and exhaustive memorandum concerning the economic domination of Europe by Germany?

A When is this supposed to have been? If ever I have written such a memorandum, and I believe I have, then I have not done so until the military situation was so favorable for Germany that it was time to start talking about such economic questions.

Q Did you ever write such a memorandum to Goering?

A No, that I do not recollect either.

Q Well now, the ideas that were contained in that memorandum, after the German victory looked possible, were ideas that had been planned by the National Socialists for a long time, were they not?

A But I don't know that memorandum. I don't know what memorandum that is.

Q Let me ask you directly: was it not always the intention of the National Socialist leaders to achieve domination over Europe, which would make Germany predominant in Europe's economy?

A I have often voiced my opinion in these matters, publicly, and have stated that a strong European economic position would have to be based on a strong German economic position, and at a time when

H3466 - 0026

Germany had achieved such a favorable military position, as in 1942 and 1943, it was obvious that it had also achieved a strong dominating economic position; and I have never voiced to anybody an opinion of mine, according to which, a strengthening of the German economic position should be achieved by war. It has always been my opinion that such a position could be achieved by coordinating the economic aims in Europe.

Q But at any rate, when you felt that military victory was in your grasp, you did prepare a plan which provided for the control of the European economy for the benefit of Germany against her neighbors?

A "Domination" is saying too much, but the weight of economic control should be on Germany's side.

Q Well, we have the documents, Dr. Funk, and I am just giving you a chance now to tell the truth, if you want to.

A But I do not deny that such an economic arrangement had been prepared by me, and thought of in detail, which meant the control of economy in Europe by Germany.

Q Now, one more question: did you participate in the conferences in November 1938, which resulted in the exclusion of the Jews from all German business and economic life, and in effect, the expropriation of their property?

A No, but I have taken part in a subsequent discussion at Goering's office, that is to say, after the big conference in 1938, which resulted in the forcible measures taken against the Jews.

Q And you take full responsibility for those measures, do you not?

H3466 - 0027

A Such economic measures; and as far as I am concerned, I only had to take charge of Jewish property that had to be taken, otherwise a completely lawless condition and illegal appropriation of Jewish property would have set in, as in fact it did at the time.

Q Well, you knew, did you not, that the pogroms of November 8th and 9th were ordered by the National Socialist government?

A Not by the government, but by the Party, but here I must say something extremely important: as early as the months preceding this action, in 1938, representations were made to me by several people -- I cannot remember in detail who they were -- that these were untenable conditions, namely, that the Jews still had such strong economic property, whereupon I refused all those people to take any action whatever.

Q But finally you did?

A No, and such later measures as were finally made by me, were to secure that Jews were not simply looted and robbed, and that they were given bills of the Reich in exchange for the property which was taken away from them. That I demanded from the Minister of Finance, and he then, without asking me, refused to pay interest on these properties. I also demanded during this meeting that the Jews would be allowed to keep their stocks, shares, etc.

Q That is all.

(Whereupon, at 1205, 19 October 1945, the hearing was adjourned.)

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APPROVED:

INTERROGATOR	INTERPRETER	COURT REPORTER
	W. Frank	Horace M. Levy

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(FUNK)

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H3466 – 0028

24

24 Pages.

H3466-0029